

# **FISCAL NOTE**

## **HB 742 - SB 613**

March 3, 2003

**SUMMARY OF BILL:** Creates a distinction between a check card and demand draft. Defines payee-initiated demand draft to mean a draft that is not signed by a customer and that is created by a third party under the purported authority of the customer for the purpose of charging the customer's account. Shifts the liability for an unauthorized draft from the payor bank to the depository bank by attaching a transfer warranty to the demand draft. Revises the standard for making a claim on lost instruments. Adds the definition of banking day to clarify that a banking day does not include certain days when the Federal Reserve does not process checks. These include Saturdays, Sundays and designated legal holidays. Clarifying that these non-processing days are not banking days allows banks to provide the customer service without incurring additional risks.

### **ESTIMATED FISCAL IMPACT:**

**MINIMAL**

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director